

Approved as Written: 2/6/02

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND
SPECIAL CITY COUNCIL MEETING
MINUTES - JANUARY 23, 2002**

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

Present: Agency/Council Members Carr, Sellers, Tate
Late: Agency/Council Member Chang (arrived at 6:02 p.m.) and Chairman/Mayor Kennedy (arrived at 6:09 p.m.)

DECLARATION OF POSTING OF AGENDA

Office Assistant II Malone certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

WORKSHOP:

1. REVIEW OF PROPOSED CITY WEBSITE DESIGNS

Assistant to the City Manager Dile presented the staff report on proposed City website designs. She indicated that Steve Pan and Benjamin Toy with e21, consultants for the website design project, were in attendance to answer questions which the City Council may have. She stated that the Web Site Design Committee and e21 focused on designing the city's website to present a more professional and appealing appearance.

Steve Penn, e21 web-site development project manager, presented three proposed web site designs to the Council. He said that these designs have been developed through meetings with the city's web site team with the main focus to give the City's web site a professional and business-oriented look. The team took a conservative approach to present the City as a serious entity. Also, sought was to make it easy for citizens to find what they are looking for when they access the web site. He said that the web site team wanted to make sure it incorporated the design and color of the new city logo. He noted that all three designs use drop down menus that allow citizens to easily go to the section of the site they wish to visit.

Mr. Pan explained how citizens would navigate through the web site with all three alternative designs.

Council Member Sellers stated that he likes the options offered. He stated that he does not like a busy web site, like the one used by the City of San Jose. However, he liked the way they presented the city as both a smaller community and a City. He noted that focus on both city services and the broader community has been handled well. He inquired whether the City's web page would link to significant community resources?

Ms. Dile stated that one of the main links will be to the Chamber of Commerce, but can also include links to others (e.g., school sites). She said that the committee is trying to make sure that the City only links to those with whom it has a contractual relationship.

Council Member Sellers, asked if the committee would consider changing the city's web site address to make it less convoluted as he felt that it is hard to find (e.g., make the address more direct)?

Ms Dile stated that the e21 contract calls for the set up to have several search words that will bring people to the city's web site without having to know the exact address for the City.

Council Member Sellers stated that he was glad to hear that the photos will be changed from what the Council was viewing at this presentation. He liked the progressive design best, but also likes the design with the photo at the top. He also liked the photo at the top of the progressive design. He wanted to make sure that whatever photos are used are representative of Morgan Hill, including the possible use of historical photos. He felt that the committee did a good job of integrating the logo, but that it still seems to stand apart. He requested that the committee try to integrate the logo into the design. He recommended that the "Welcome to Morgan Hill" be made to stand out better as it is currently too faint.

Council Member Tate noted that the "What's New" placement varies from presentation to presentation.

Mr. Pan indicated that "What's New" would be on page one in all three alternative web page designs. He also noted that when citizens click on "What's New" they would be able to go to subjects listed.

Council Member Tate stated that he likes the green stripe on the right and curved line at the bottom. He did not want to see the colors washed out. He said that he liked the third design as it has a curvy look to it. The only thing wrong is the logo needs to blend with something. He felt that the items on the left were user friendly, and that the colors were good and vibrant.

Ms. Dile stated that if there is unanimity by the City Council, the web site design would move forward. If the Council is not ready to move forward with a particular design, the committee would try to incorporate City Council suggestions.

Mayor Pro Tempore Carr noted that the third design includes a logo with a watermark. He liked it,

but stated that he would like it darker so it is more visible. He stated that he preferred the third design as it appears to be a design that would be easy to use. He inquired whether the committee felt that the average citizen would be able to recognize the terms used or would it be helpful to provide better definition of terms?

Mr. Pan explained that pop up menus would explain the buttons fully.

Mayor Pro Tempore Carr stated that he liked design number two's "Progress Page" and the "New Things" button. He recommended that these features be incorporated into the third design.

Council Member Chang stated that she did not like the yellow and green color scheme used on the bar of design three and did not believe that the entire picture compliments the colors used. She liked the color scheme of the open space design better. She felt that the design was too complicated and busy. The bar is very clear, but felt that it would be better to incorporate the color scheme from the first two designs and include the bar feature. She stated that she likes the colors of the first two designs and the layout of the third design.

Mayor Kennedy stated that he did not like the use of the green and yellow color scheme. He felt that these colors were out of place with the rest of the page. He said that the yellow color is easy to see, but recommended that a better color coordination be found that will stand out and blend better with the design. He stated that he preferred the layout of the third design.

Mr. Pan stated that he would consider adjusting the color(s) to get the best combination and still leave the design clear and easy to identify.

Ms. Dile stated the committee members are considering a picture of the valley instead of the lake, as shown on the example.

Mayor Kennedy stated that he would like to see links to other service providers (e.g., County, School District, Water District, VTA, etc.). He recommended that the web page be designed so that citizens would be able to easily reach other sites.

Ms. Dile reported that these other sites would be linked and that citizens would be able to get to the other sites through the city's web site.

Mr. Pan indicated that the site would use a feature called "quick find" that would link individuals to other organizations.

Action: **No Action Was Taken** on this item.

City Council and Redevelopment Agency Action

CLOSED SESSIONS

City Attorney/Agency Counsel Leichter announced the below listed closed session items.

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

2.

**CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:
CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of
Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner,
special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill

Case Numbers: USDC Northern California No. C01-20857 RMW

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

3.

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code 54956.8

Real Property Involved: 8.65 acre parcel located on the west side of Condit Road, north of Dunne
Avenue (APN 728-17-019)

Negotiating Parties:

For City/Agency: City Manager/Executive Director; City Attorney/Agency Counsel;
Director of Business Assistance & Housing Services

For Property Owners: Horizon Land Inc.

Closed Session Topic: Acquisition of Real Property

4.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)

Name of Case: Hacienda Valley Mobile Estates v. City of Morgan Hill, et al.; United States
District Court, Northern District of California, Number C01-20976 PVT ADR

5.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)

Name of Case: Del Priore, et al. v. City of Morgan Hill; United States District Court, Northern District of
California; Case No. C01-20436

6.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)

Name of Case: Kennedy v. Davis, Santa Clara County Superior Court; Case No. CV798941

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session at 6:30 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:05 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on Item 3, and that the City Council/Agency Commission would adjourn to closed session at the conclusion of the meeting's agenda to continue discussion of items listed under closed session.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Lisa DeSilva led the Pledge of Allegiance.

PUBLIC COMMENTS

Mayor/Chairman Kennedy opened the floor to comments for items not appearing on this evening's agenda.

Peter Chase addressed the City Council regarding a proposed BMX/Ramp club (Norial Ramp Club) in a building located on Vineyard Boulevard, in an industrial area, north of Tennant Avenue. He indicated that club members were advised that the site was not zoned for BMX related uses and that the building would not pass inspection, noting that the landlord would not fix the problems. It was stated that there is \$20,000 of ramp equipment donated and waiting for a BMX facility. He requested city assistance in allowing the facility to be used for BMX related uses. He stated that the facility could be used as a concert area for local bands. He stated that the Club would be active with local churches and provide instructional programs for younger youth to learn to ride bikes and

skateboards. The Club is working to solicit the aid of sponsors such as 7-Up. It is believed that local businesses would profit and that the project would bring revenue to the city. He stated that such a facility would draw individuals as far away as San Francisco to Fresno. He felt that a BMX facility would keep bikes out of areas where they are not wanted.

Harold Clifton felt that not much has been done for extreme sports enthusiasts in Morgan Hill. He said that the Club has companies willing to lend them support. He requested City assistance in securing the necessary permits. He stated that BMX and extreme sports help keep kids off drugs and that these activities changed his life. He noted that the nearest skate park is located in Milpitas, but that this facility does not offer training. He said that the Club would offer training at the proposed facility.

Shayne Erickson felt that approval of a BMX facility would be one of the best things that would take place in Morgan Hill. He stated that competitions draw pro athletes, companies and spectators to attend events. He indicated that BMX club members will be in attendance at a Council meeting in two weeks and that they would bring 300 people with them to support this issue in hopes of winning over the Council on this matter.

No further comments were offered.

Mayor Kennedy requested that City Manager Tewes advise these young men on the issues.

Mr. Tewes stated that the city has a dirt BMX site already, but maybe there is a niche for this type of indoor facility. He indicated that a conditional use permit would be necessary to allow the use. He informed the City Council that a permit for the Club's fund raiser proposed this weekend would have been a problem because they did not have the approval of a fundraising permit. Since that event has been cancelled, the problem has been eliminated. He indicated that Club members have been advised on how to proceed in order to have this event. He stated that the property owners and applicants will have to work with the city to cover all potential problems and obtain the necessary permits to proceed with the project.

Council Member Sellers encouraged Recreation Manager Spier and others in the community to work together to get this project moving along. He stated his support of efforts to provide activities for youth in Morgan Hill. He said that he would do everything he could to try to expedite this project, but noted that it would take time to get it done.

CONSENT CALENDAR

Redevelopment Agency Action

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Agency Commission unanimously (5-0) **Approved** Consent Calendar items 2-4 as follows:*

2. **DECEMBER 2001 FINANCE AND INVESTMENT REPORT**

Action: ***Accepted** and **Filed** Report.*

3. **AUTHORIZE THE EXECUTIVE DIRECTOR TO EXTEND AN AGREEMENT WITH SPORTS MANAGEMENT GROUP FOR SERVICES TO PREPARE STUDIES FOR COMMUNITY PROJECTS**

Actions: ***Authorized** the Executive Director to Execute a Consultant Contract Agreement with Sports Management Group in an Amount of \$32,500 for Services as Listed:*

1. *Extend Contract in the Amount of \$17,000 for Additional Services Requested and \$3,500 for Reimbursable to Develop New Program Options and Cost and Revenue Models for the Indoor Community Recreation Center;*
2. *Extend Contract in the Amount of \$4,000 for Reimbursable to Update Operating Budget Planning, Staffing and Organization Plan, Market Analysis, Fee and Revenue Development and Policy and Procedures Manual for Community and Cultural Center and Playhouse; and*
3. *A New Project Proposal to Provide an Analysis of Sport Field Uses and Proposed Fee Structures in the Amount of \$8,000.*

4. **ANNUAL STATE REDEVELOPMENT REPORTS FOR FISCAL YEAR 2000/01**

Action: ***Filed** the 2000/01 Redevelopment Agency's Annual Report of Financial Transactions, Housing Annual Report of Housing Activity, and Property Report.*

City Council Action

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** Consent Calendar items 5-9 as follows:*

5. **CITY POSITION ON STATE PROPOSITIONS**

Action: ***Directed** Staff to Prepare Letters Stating the City's Positions on State Propositions for the Mayor's Signature.*

6. **DONATION OF SURPLUS FURNITURE**

Action: ***Directed** Staff to Make Furniture Available to St. Catherine Dayworker Committee.*

7. **CONTRACT FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR**

Action: ***Authorized** the City Manager to Execute a Consultant Services Agreement for Third Party Administration of Workers' Compensation at a Cost Not to Exceed \$45,000.*

8. **AUTHORIZATION TO PURCHASE THE AUTOMATED CITIZEN INFORMATION SYSTEM (ACIS) BY TELE-WORKS**

Actions: *1) **Authorized** the Purchase of Tele-Works' Automated Citizen Information System*

(ACIS) as a Sole-source Provider of Telephone-web Integration Systems, and 2) **Authorized** the City Manager to Negotiate and Execute the Contract with Tele-Works in an Amount Not to Exceed \$26,000 for the Purchase and Installation of ACIS.

9. AB1600 IMPACT FEE REPORT FOR THE FISCAL YEAR 2000/01

Action:

- 1) **Made** the Following Findings Regarding AB 1600 Impact Fees That Were Held by the City at June 30, 2001, as Described on Exhibits A and B:
 - a. Identifying the Purpose To Which Each Fund Is to Be Put,
 - b. Demonstrating the Reasonable Relationship Between the Fee and the Purpose for Which it Is Charged,
 - c. Identifying All Sources and Amounts of Funding Anticipated to Complete Financing for Incomplete Improvements and
 - d. Designating the Approximate Dates on Which the Funding for Projects Is Expected to Be Received by the City.
- 2) **Accepted** and **Filed** the report.

Redevelopment Agency and City Council Action

Action: On a motion by Agency/Council Member Tate and seconded by Agency/Council Member Sellers, the Agency Commission/City Council unanimously (5-0) **Approved** Consent Calendar item 10 as follows:

10. JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MINUTES FOR JANUARY 9, 2002

Action: **Approved** the minutes as submitted.

Redevelopment Agency and City Council Action

Council Member Chang indicated that there was a member of the Dayworker Project Committee present, and requested that he be allowed to address the Council on Item 6.

Action: It was the consensus of the City Council **to allow** the Dayworker Project Committee Member to address them on Agenda Item 6.

6. DONATION OF SURPLUS FURNITURE

Julian Mancias, Director of St. Catherine's Day Worker Committee, informed the Council that this Committee is composed of a group of volunteers from St. Catherine's Catholic Church. Currently, the Committee is focusing on trying to get a building and organize a method by which the day workers can be hired. He said that this has been a difficult process and that the Committee is moving slowly in meeting their objectives. He stated that his purpose in speaking this evening was

to bring this item to the attention of the Council, and advise the Council on what the Committee is doing. He explained that the Committee is in a difficult situation because there is opposition in the community, financial problems to overcome, and other obstacles. However, the Committee is convinced that this is a worthy cause. He said that the Committee will need help from the City of Morgan Hill in the future. He understands that there is a lot of demand for City funds, but felt that the donation of this furniture is a good start.

Council Member Tate stated that he does not have an understanding of the City's involvement on this issue. He recommended that this issue be agendaized for further discussion.

City Manager Tewes stated that once the Committee develops a plan, they would make a presentation to the Council.

Mayor Pro Tempore Carr felt that most Council Members do not know the plans for the Dayworker Center. Before returning to the City Council for assistance, he felt that the Committee needs to advise Council Members of proposed plans. He said that he was under the impression that the Committee already had a facility.

Mr. Mancias explained that the Committee is negotiating acquisition of a site. He restated, that the Committee is not sure what they are planning to do, and are trying to find their way. He indicated that the Committee does not have a political agenda but are just local Hispanic citizens trying to help other local Hispanic individuals to have a voice in the community.

PUBLIC HEARINGS:

11. PROPOSED CHANGES TO PURCHASING ORDINANCE

Finance Director Dilles presented the staff report. He reported that the proposed amendments to the Purchasing Ordinance have been reviewed by the Finance and Audit Committee and they are in support of the recommended amendments. He reviewed the items specified in the Memorandum of January 17, 2002 that outlines the current requirements for purchase orders and the proposed changes to those requirements. He stated that he is also proposing that the City Council allow bids to be made by e-mail. Also, being recommended is the deletion of the 5% preference for recycled products. He said that staff is proposing an environmental policy for procurement, and will present a report on this issue to the Council next month. He noted that these changes are intended to make staff more efficient, allow departments and department heads to utilize their budgets, and provide quality services to the city's customers. He said that the proposed changes would reduce the many hours spent on lower level purchase orders and bid processes, and would allow this time to be better used to meet other needs. He recommended that the City Council introduce Ordinance 1545 and direct staff to review the Purchasing Ordinance every five years, returning to the Council changes as necessary.

Council Member Tate stated that the Finance and Audit Committee acknowledged that even though

it is recommending raising purchasing limits, staff feels that they might be able to find a more competitive solution by raising the bid levels.

Mr. Dilles stated that the intent and expectation remains unchanged that departments are still seeking the best price on purchases, even if a bid is not required. He said that staff wants to do a good job and provide services at the lowest price possible. Staff is aware that the city has limited resources, and that both the City Manager and Department Heads push to keep budgets in line. It was his belief that the proposed changes would make better/efficient use of staff time.

Council Member Chang inquired as to the number of City purchases made under the \$10,000 threshold?

Mr. Dilles responded that approximately \$1.6 million in purchases are made that do not require a formal bid process, but only an informal bid process. He reviewed the amounts required for a formal bid.

Council Member Chang stated that the significant change being proposed is in the \$500 to \$2,500 amount. She expressed concern that vendors may inflate their prices by "10±%" because the bid process threshold is being recommended to be reduced.

Mr. Dilles agreed that vendors could increase their prices but that staff would continue to make an effort to get the lowest price possible.

Mayor Kennedy inquired as to the location, in the ordinance, that would require bids be awarded to the low bidder?

Mr. Dilles noted that this is a stated requirement and that bids need to meet requirements of bid specifications as well as be the lowest bid.

Mayor Kennedy expressed concern that he does not see that language relating to awarding to the lowest responsible bidder included in the proposed ordinance. He also expressed concern with checks and balances. He inquired if multiple signatures are required for purchase orders?

Mr. Dilles stated that purchase orders less than \$5,000 require his signature once reviewed by the respective department. An amount more than \$5,000 requires his initials and the City Manager's signature. Purchase orders more than \$25,000 would require City Council approval.

City Attorney Leichter indicated that the City does not have a lowest response bidder standard. She said that the Purchasing Officer has to consider and award on the basis of what is most advantageous to the City, not just lowest price. She noted that this is covered in another chapter of the Purchasing Ordinance which defines consideration of bids and basis of awards. She indicated that the City Council only has the portion of the ordinance being recommended for amendment, not the entire chapter.

Mayor Kennedy reiterated that he was not comfortable with seeing only a portion of the purchasing ordinance and that he wants to see more information defining checks and balances as well as how bids are to be awarded.

Council Member Chang stated that she is concerned about raising the non-bid requirement level to \$25,000. She indicated that she contacted other cities on this issue and received a response from one city, noting that this city goes to competitive bid for any purchases over \$1,000. She noted that the city's budget has increased from \$8 million to \$15 million over a three-year period. She stated that she was not comfortable with the relaxation of the purchasing ordinance. She said that a neighboring city is holding a tight reign over spending. She did not believe that it was an appropriate time to amend the ordinance, nor advantageous to do so.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Mayor Pro Tempore Carr stated that as a member of the Finance and Audit Committee, he has reviewed the proposed changes, and that the Finance and Audit Committee believes that these changes should move forward. He felt that staff was convincing in their reasons for wanting to amend the purchasing ordinance. He said that over ½ the City's purchase orders were under \$2,500, but accounted for only 3% of purchases made. He felt that this contributes to too much staff time being spent on a small number of purchases. He stated that he was supportive of the proposed amendments and that he wants to allow department heads to be responsible for decisions. He felt that the proposed changes to the purchasing ordinance would help economic development in Morgan Hill.

Council Member Tate concurred with the comments expressed by Mayor Pro Tempore Carr, noting that the bid process is an administrative intensive process. He said that he wants to empower staff to go out and get the best bids possible.

Mayor Kennedy stated that whatever the City Council does, it makes sure that it has built in the proper checks and balances. He said that when he looked at the policies three to four years ago, he recommended to the City Manager that they be changed, noting that staff started the process, but has not finished the process. Although this particular proposal may be a simple change, he did not believe that it addressed the bigger picture. He said that he did not want to jump into a proposed change to the ordinance until he can see the bigger picture. He said that the city needs to make sure that it has a careful, well thought out bidding process. Therefore, he was not ready to move forward with the proposed amendments as the Council has not seen the entire purchasing ordinance.

Council Member Sellers stated his concurrence with Council Member Tate's comments about empowering the employees. He also felt that it was right that Council Member Chang question the level to which staff should be empowered. He stated that he was comfortable with the level being suggested by staff because of the balance and benefit in both staff time and money. He suggested that the City Council continue this item to a date that the City Manager believes is appropriate so

that the City Council can entertain an expanded discussion based on the points raised by Mayor Kennedy regarding the overall purchasing policy and how they are dealt with.

Council Member Chang requested that staff conduct additional research and provide her with purchasing policies from other cities.

Mr. Dilles stated that staff has a list from various cities showing a range of minimum purchasing requirements and that he would forward this information to the City Council.

Mayor Pro Tempore Carr stated that he would support a continuance. He said that this is an important issue for staff and important to him, as a Council Member, to address the efficiencies of the way that the City operates. It is his hope that this is not an item that gets delayed and placed on hold. Not only efficiencies of government are being discussed but significant economic development issues. With the state of the economy and the work that many have been doing on economic development lately, he said that he would like to see the City move forward with changes to the ordinance as soon as possible. He wanted to make sure that this is a priority for the City Council and that it is done the right of way.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) **Continued** this item and **Directed** staff to reagendaize this item to a future date and to return with additional information.*

OTHER BUSINESS:

12. IMPROVEMENT LOAN TO COMMUNITY SOLUTIONS

Director of Business Assistance and Housing Services Toy presented the staff report. In response to Council Member Sellers question, he stated that the principal and interest would be due and payable should Community Solutions vacate the facility prior to seven years.

Council Member Sellers stated that he was pleased that Community Solutions wants to stay in Morgan Hill as they offer important services to the community. However, he would hate to see a better deal come along and have them depart from the area less than seven years from now and not be able to do anything about it.

Mayor Kennedy opened the floor to public comment. Lisa DeSilva, Director of Resources Development at Community Solutions, indicated that over 13,000 individuals were served last year with half being Morgan Hill residents. She stated that along with being a service provider, Community Solutions is a business in the community. She said that Community Solutions is seeing a reduction in revenues and funding while seeing an increase in demand for services. She felt that this has been exacerbated by the fact that there is a significant increase in the cost to do business. She indicated that Morgan Hill residents deserve to have services provided locally. She noted that Community Solutions was founded in Morgan Hill 30 years ago and they want to retain their

headquarters here. She said that Community Solutions plans to stay in Morgan Hill for the long term and that this loan would enable Community Solutions to afford to be able to continue to do business and serve the community in Morgan Hill. No other comments were offered.

Action: *On a motion by Council Member Tate and seconded by Council Member Chang, the City Council unanimously (5-0): 1) **Authorized** the City Manager to Negotiate, Prepare, and Execute a Loan Agreement in an Amount Not to Exceed \$100,000 in Community Development Block Grant (CDBG) Funds with Community Solutions for Tenant Improvements at Their New Facility on Church Street; and 2) **Directed** the City Manager to Do Everything Necessary to Appropriate \$100,000 from the CDBG Rehabilitation Loan Fund.*

13. FIRE AND EMERGENCY MEDICAL SERVICES MASTER PLAN

Assistant to the City Manager Eulo presented the staff report. He acknowledged the members of the Citizen Task Force and Technical Task Force that assisted the City with the Fire and Emergency Medical Services Master Plan (Master Plan). He informed the City Council that a couple of public meetings were held with not a lot of public interest. He can only surmise that this is not an issue of great public concern at this time. It was his belief that this can be attributed to the outstanding job that County Fire is doing. He said that there are three major short comings in the City's current system: 1) Slight delay in dispatch time through the City's automatic aid agreement in the south part of town where the South County District is the primary responder. (Recommendations aim at enhancing coordination among the agencies.) 2) Also, in the south area of town, for non emergency issues such as hydrant inspections and commercial inspections, the fire fighters from the El Toro fire station are having to go to the southern area of the city for inspection. This puts them out of position during this time period and not in a good position to respond to emergency calls within their service area. 3) Even though the City does not have a lot of structure fires in the community, the first alarm response of eight fire fighters is low. It is being recommended that there be at least twelve fire fighters able to respond on first alarm and get to a fire within a quick period of time. He informed the City Council that the Task Force developed five key recommendations as identified in the staff report. He suggested that the City Council not focus on the sprinkler issue but assign another working group to address this issue. He stated that staff does not want fire sprinklers to be the focus of discussion as there are significant issues on hand other than a lower sprinkler threshold.

He said that staff would be returning to the City Council in approximately a month with an implementation report, taking into account fiscal considerations.

Chris Carlson, DMG Maximus, primary preparer of the Master Plan, provided the Council with a power point presentation on the high points of what the report and study yielded. He felt that this was the most inclusive process that he has been involved in and the result has yielded a very good document that is unique. He felt that it would be a model document that would be reviewed by other cities in terms of ways to approach strategic planning and master plan for communities. He presented three options to the City and recommended that the City Council adopt Option "A."

Council Member Sellers noted that density levels were mentioned and said that while the number of individuals coming to the community may be relatively static, the City still needs to deal with the issue of where they would live. If the City had an additional 1,000 residents that live within the core area, or 1,000 residents who live in the exterior area, he inquired whether there would be an increase in the cost to deliver services to individuals at one end or the other or are they relatively the same cost?

Mr. Carlson responded that it is difficult to provide equal levels of service in remote areas. As far as spreading out the density of population, he said that the cost for providing service in a non dense environment would be greater at a higher density in the core region of a city. He noted that the higher the density the higher the demand for public safety services. In response to Mayor Kennedy's question Mr. Carlson indicated that the 2 in /2 out concept is an OSHA regulation. If you send an individual into this environment, you need to have a rescue team ready to go in and provide rescue. He indicated that under certain circumstances, you can waive this rule. He said that there is a reasonable expectation that within some time period, one would be able to provide the rescue/intervention team. As part of the planning process, there has to be the overall stated protocols of the operating department that this is part of the standard operating procedures. He indicated that under the existing system, regardless of the number of individuals on the apparatus, if you have a working structure fire at a residence, the city's entire system is committed to the system (three engines and a battalion chief). He said that it would be incumbent on the Santa Clara County Fire Department to fill back in order to provide a moderate amount of coverage within the city. He indicated that this is a 10-year planning horizon plan.

Chief Steve Woodell, California Department of Forestry, informed the City Council that there is a minimum of one battalion chief, occasionally two, on duty in the South County District at any given time. He said that with shift work, four battalion chiefs are employed. He said that the Fire District funds one battalion chief and that three additional battalion chiefs are funded with state funds for a minimum of six months out of a twelve-month period.

Mayor Kennedy opened the floor to public comment.

Dick Oliver stated his support of the adoption of the ordinance with one qualification. He said that whether the City Council adopts options A, B or C, each option mandates a change in the existing sprinkler ordinance, modifying the requirement of the installation of sprinklers to be reduced from 4,500 square feet to 3,000 square feet without including the garage area. If one of the three options were to be adopted, it would mandate the city come back and change the ordinance. He was not sure that this would be the best thing for the city or achieve the required results as there are options that would achieve the same results. He requested that one word be added to each of the options to state "consider" amending the fire sprinkler ordinance. This would give the Planning Commission and the development community the opportunity to be part of the input to determine if this is the best way to handle fire sprinklers. If it is, he stated that it would be supported whole heartedly. He said that he served on the sprinkler ordinance committee approximately five years ago when the provision was enacted. This was done after a great deal of study and input from the community.

He did not believe that there was supportable evidence to suggest that this fire sprinkler proposal would accomplish an objective that is not being met with an alternative.

Council Member Tate said that when he read Mr. Oliver's letter, he was taken aback. He stated that the Task Force discussed lowering the requirement to 3,000 square feet. It was his belief that the 3,000 square feet did not include the garage. Therefore, he was surprised to read in the letter that the 3,000 square feet that Mr. Oliver was addressing had to deduct the garage. He noted that Mr. Carlson stated that it is standard to include the garage area. He felt that this was another issue that needs to be looked at and clarified whether the garage area is to be included or not.

Mr. Oliver stated that developers have been required to install fire sprinkler systems in every house that are 4,500 square feet or greater, including the garage area.

Council Member Tate noted that the City Council was not approving the ordinance this evening, therefore, the City has some time to address and resolve the fire sprinkler requirements while staff returns with an implementation plan.

No further comments were offered.

Mr. Eulo requested that the City Council indicate which option it would like staff to pursue as each would have different cost implications and that this would be a major factor in the implementation report.

Council Member Sellers stated that he supports the recommended action of the Committee as it makes sense to look at the three different options. He felt that Option C was acceptable but felt that Option A would provide adequate coverage throughout the City. He said that if the City is building a new courthouse and potentially a new police facility at Butterfield and Dunne, he recommended that a fire station in this area be considered in order to consider cost savings.

In response to Council Member Chang's question, Mr. Eulo stated that the cost would be an additional increment charge and that it does not address the existing fire contract. He agreed that the General Fund would be the only funding source for this expenditure.

Council Member Chang noted that the City is short of General Funds. She asked if the City would be able to find the funds necessary to implement the Master Plan? Mr. Eulo responded that staff would return with a report that would look at possible funding sources.

Mayor Pro Tempore Carr inquired how the construction of a new fire house works with a contracted staff? Mr. Eulo stated that the building would be an asset of the city. He said that fire impact fees could be used to offset the cost of the \$2.5 million and that it would not be a general fund expenditure. He indicated that this cost did not include land acquisition.

City Manager Tewes indicated that a new fire station would require staffing and that it would require

an amendment to the existing contract with Santa Clara County Fire. He said that it would be incorrect to assume that all of the fire impact fees could be spent on a new fire station as there are limitations on impact fees. He stated that this would be one of the issues that would be evaluated in the implementation plan.

Council Member Sellers said that it would take a \$1.5 million increase to implement the master plan, noting that the current general fund budget is approximately \$15 million per year. He noted that there would be a potential 10% increase over this period of time.

Mayor Kennedy stated his support of staff's recommended action, including the comment made by Mr. Oliver.

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) **Directed** Staff to Present an Implementation Strategy to the Council Next Month and Present the Plan for Adoption at That Time.*

14. SPORTS AND AQUATICS COMPLEX PREFERRED CONCEPTUAL DESIGN

Recreation Manager Spier presented the staff report. She indicated that two community meetings have been held, targeting potential user groups as well as an open meeting. She stated that there were two components to the proposal: 1) aquatic site, and 2) sports site. However, she indicated that consideration is being given to a combined project within all the acreage and this is how staff is bringing the concept before the City Council this evening. She said that four alternative designs were presented to community groups and that the designs have been narrowed down to two designs. She stated that a workshop was held before the Parks and Recreation Commission on January 8, 2002, inviting the neighbors to comment. The Parks and Recreation supported alternative 2b, a combination of the two designs presented on January 8. She informed the City Council that the staff moved forward with alternate concept 2b with four points as follows: 1) further analysis regarding access to the site (pedestrian transient/bicycle); 2) additional parking analysis; 3) confirm evening user needs (one lighted field is proposed); and 4) while phasing and funding decisions are being made, the City Council considers how the operations and maintenance are to be funded. Further, when considering phasing, that the City Council think economically as to what components are to go with each phase so that there will be a revenue generating component to each one. She indicated that the Parks and Recreation Commission recommends that the City Council complete an operation and maintenance plan before moving further into design. She informed the City Council that the Parks and Recreation Commission recommends the placement of the aquatics complex on the former Lomanto property because the sports site could be functional.

Dereck McKee, Beals Sports Collaborative, presented a power point presentation, addressing the site program for the sports, parks and aquatics complex, including parking, entrance to the park site, preferred design and the phasing options/costs for the site.

Council Member Sellers inquired as to the timing of the various phases and asked if Mr. McKee was

accounting for an increase in cost by phasing the entire project over a period of time?

Mr. McKee responded that the costs are in today's dollars, and would be valid for a year to 18 months. He said that the City would save money by combining some of the phases. If the City decides to develop the entire project at this time, the cost would be approximately \$27 million. Therefore, the City would save approximately \$4 million in today's dollars. He said that a timeline is not proposed and that the timeline needs to be worked out. He informed the City Council that Phase 4 is not a necessity and clarified that phase 4 is installing temporary facilities on the existing site.

Mr. McKee stated that at the Parks and Recreation Commission meeting, the Commission decided to switch the softball and baseball fields and to provide a range for the lower age group. The Commission felt that this was a bigger priority and that the 90' and 80' fields were not as important. He informed the City Council that the aquatics group did not want diving platforms facing the sun. He did not know if lighting is proposed for the recreational pool but that lighting has been included for the competitive pools.

Mr. McKee indicated that the corporation yard is another term for an on site maintenance facility. He said that the maintenance facility would contain bins for materials, fertilizer, grass seed, mowers, and other maintenance equipment. He indicated that for a site this large, you can anticipate one or two full time maintenance staff. It is proposed to provide an opportunity to have equipment and material close to the site. The maintenance yard has been split between phases 5 and 6 because the sport complex fields would be split in half between the two phases under the current phasing plan.

Mr. McKee said that there was no reason for recommending items for phase 8 last. One of the reasons for separating the items out is because it is not known what off site improvements would be needed. He indicated that a traffic study would need to be conducted to determine impacts of the park and how the users of the park would impact the adjacent streets and traffic situation for this area. If the Council focuses on building all at once, there would be a lot of impacts and that a lot of work would need to be done. If the project is built in phases, the off site improvements can be grouped with those phases.

Mayor Pro Tempore Carr noted that staff indicated that the neighbors were notified about the public hearing before the Parks and Recreation Commission. He asked if there were any comments received from the business owners located along Cochrane Road or the churches located along Murphy Avenue?

Recreation Manager Spier indicated that one business owner inquired as to the timeline for the project.

Mark Frederick, Parks and Recreation Commissioner, informed the City Council that the Commission conducted a public hearing on this issue last week. He said that the Commission reviewed a number of options with the Beals Group doing a good job in presenting a number of

options for discussion and consideration. He said that the Commission understands that there is a large budget for this project. Therefore, the Commission is recommending that the City Council be flexible in terms of phasing the project. The Commission is supportive of the aquatics complex as presented by the Beals Group and to continue giving the opportunity to use the soccer fields while the aquatics complex is being constructed. He noted that the City is moving quickly, purchasing property for the recreation center and now for the aquatics complex. The City is moving along with adopted master plans and that he was encouraged and looking forward to implementing these.

Mayor Kennedy opened the floor to public comments.

Geno Acevedo, 17360 Hill Road, informed the City Council that it has the continued support of the aquatics community. He clarified that when talking about the detailed schematic drawings of the center, Recreation Manager Spier informed the aquatics group early on not to worry about the detailed schematics as there would be opportunity to review and comment on the aquatic center design, once completed.

Christopher Filice, 1058-A Monte Bello Drive, Gilroy, co-owner of a new water polo business, indicated that he is selling wares by sitting at swimming pools. He stated that he has received a lot of input on what makes a good aquatics complex as he has seen a lot of bad errors made at some of the complexes. He stated that water polo has become the fastest growing sport in America and that he is anxious to see this aquatic center built as he has a vested interest in this project as a long time resident of south county.

Mayor Kennedy stated that one of the challenges the City will be facing is paying the operating costs for all of the facilities, especially the aquatics facility. He asked if there was any information that could be provided on how water polo can help offset these costs?

Mr. Filice responded that his business gives 10% of all the profits back to the pools. For any events that come to the aquatics complex, he would like to sell his wares and give back to the City of Morgan Hill, the teams or whoever runs the tournaments. He said that he is putting together a fundraising program for water polo teams across the nation. Hopefully, this fundraising event will get the understanding out about water polo to the public and generate income for these teams; getting out the word that Morgan Hill is a place to come. He said that his business is involved with US Water Polo, the governing body of water polo in the United States, with Olympians to tots wearing his products.

Rocke Garcia, 100 East Third Street, stated his support of the aquatic center. He informed the City Council that he was a swim coach at Branham High School and that he had an AAU team that was called the West Valley Aquatic Team, consisting of 8 teams. He commended staff and the City Council for taking this project on as he wished that back then, the City of San Jose had provided such a sports and aquatics complex.

No other comments were offered.

Mayor Kennedy stated that he was impressed with the work conducted by staff, the consultants and the Parks and Recreation Commission, especially with the recommendation for phasing, options, and funding given to the City Council in order to try to meet the needs of all of the sports programs throughout the City.

Council Member Tate referred to the fourth recommendation from the Parks and Recreation Commission relating to operating and maintenance costs. He said that the City has to maintain facilities, noting that it is not part of the conceptual presentation but that it is something that has to be in the forefront because the City has to have funding for maintenance in place before it can approve anything.

Council Member Sellers appreciated being presented with the eight phases. However, it would be his goal to eliminate the phases or reduce them as much as possible. He stated that he would like to see the City get underway with the project. He said that construction of as many phases as possible would result in cost savings and fewer disruptions to the users and the community. He said that the City is under certain constraints that it has to deal with, primarily budgetary and having someone take on a project of this size all at once. He challenged the City and the community to try to do what it can to build this complex in as few phases as possible (e.g., aquatics center as phase I and fields as phase II). Regarding maintenance costs, he felt that this can be enhanced by minimizing the phases/disruptions and maximizing opportunities for income, lowering the maintenance costs.

Council Member Chang indicated that on January 30, the Redevelopment Agency would be discussing project priorities and the amount of money that would be spent on each project. She inquired if it would be possible to have thoughts on maintenance and operational costs needed for immediate projects (e.g., indoor recreational facility, aquatics complex, etc.). She did not believe that discussion of capital budget would be enough.

City Manager Tewes stated that at the scheduled January 30 workshop, there would be discussion on how the City would allocate priorities for \$147 million worth of projects, and not just sports/public facilities but economic development, streets, sewer and water issues as well. He felt that it would be useful to provide as much insight as possible into the operating costs. He indicated that approximately three years ago, the City commissioned a study that indicated that competitive and recreational pools, for which the City is prepared to charge appropriate fees, could generate sufficient income to just meet operating costs. He said that staff could present the City Council with some estimates for operating and maintaining the full sports complex.

Mayor Kennedy stated that since the kick-off for the aquatics center, he has received commitments from various business entities to be financial benefactors for additional capital costs to move forward with other phases of the aquatics complex. Therefore, he felt that there were other untapped resources that have not been looked at to help provide additional funding. He felt that a phasing program would be good if the City could get the funding to move phases up in order to move quicker.

Council Member Chang stated that the numbers are overwhelming when added together, noting that the City has not included land costs. She was pleased to see the phasing plan and felt that this would be a very important topic of discussion at the January 30 priority session.

Council Member Sellers noted that the City of San Jose spent twice as much just to renovate an old theater.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr, the City Council unanimously (5-0) **Approved** a Conceptual Design and Estimated Costs and Phasing Plan for Further consideration at the RDA Priorities Workshop Scheduled for January 30, 2002.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

PUBLIC COMMENT - CLOSED SESSION

Mayor/Chairman Kennedy re-opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting at 10:00 p.m. to conclude discussion of closed sessions.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 10:55 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the closed session items.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 10:56 p.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, Agency Secretary/City Clerk